

# **Exhibit A**

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,	)	CASE NO. CV 20-7811 RS
	)	
Plaintiff,	)	DECLARATION OF MICHAEL GRONAGER IN
	)	SUPPORT OF UNITED STATES' OPPOSITION TO
v.	)	NOBUAKI KOBAYASHI MOTION FOR DIRECT
	)	ACCESS AND INTERVENTION
Approximately 69,370 Bitcoin (BTC), Bitcoin	)	
Gold (BTG), Bitcoin SV (BSV), and Bitcoin	)	
Cash (BCH) seized from	)	
1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx	)	
	)	
Defendant.	)	

I, MICHAEL GRONAGER, being duly sworn, depose and state:

1. I am the CEO and Co-Founder of Chainalysis, Inc. ("Chainalysis"). I respectfully submit this declaration in support of the United States' Opposition to Nobuaki Kobayashi's Motion for Direct Access and Intervention in the above-referenced matter. I have personal knowledge of the matters and statements set forth herein.

2. Chainalysis is a company that provides blockchain data and analysis to government

1 agencies, banks, and businesses around the world. Its products include REACTOR, an interactive and  
2 investigation tool that identifies offenders, visualizes data, and shares results with people and  
3 organizations, and API, a transaction-based risk scoring solution that contains source and destination of  
4 funds to measure risk. Chainalysis offers other services such as activity monitoring reports, due  
5 diligence tools, real-time application programming interface (API), web-based investigation software for  
6 due diligence, verification of customers for bitcoin business, web-based investigation tools to identify  
7 cyber-criminals, identification of bitcoin extortion payments made by victims to criminals, and  
8 attribution for cyber threat intelligence industries.

9         3. Between 2011 and February 2014, the Japanese cryptocurrency exchange MtGox  
10 experienced a series of hacks, which resulted in the theft of several hundred thousand bitcoins. In  
11 approximately February 2014, MtGox closed its exchange service. In April 2014, MtGox filed for  
12 bankruptcy protection. A Japanese court appointed Nobuaki Kobayashi as the bankruptcy trustee and  
13 set up a claims process for MtGox accountholders to file claims.

14         4. After MtGox filed for bankruptcy, the MtGox trustee asked me to assist him and the  
15 MtGox creditors to investigate what had happened with the stolen funds.


16         5. In an initial study from February 2015, Chainalysis found that funds were slowly leaking  
17 out of MtGox from summer 2011 until summer 2013. This was found from a week-to-week  
18 reconciliation between the amount according to the book (the database) and the funds actually kept by  
19 the keys possessed by MtGox according to the blockchain.

20         6. As documented in a subsequent report on MtGox Stolen Funds Analysis dated July 9,  
21 2015, Chainalysis followed the stolen funds and was able to account for 98% of all funds not recorded in  
22 the database. Chainalysis isolated three separate hacks, the latest responsible for 80% of all the funds  
23 lost over the course of two years. Chainalysis identified the final destination for all funds for the former  
24 hacks to be at two major exchanges (Tradehill and BTC-e) as well as on MtGox itself. (Chainalysis  
25 initially misattributed the Tradehill addresses as GLBSE (Global Bitcoin Stock Exchange) and later  
26 corrected it.) Chainalysis found no evidence that the stolen MtGox BTC was sent to Bitcoin wallets  
27 associated with Silk Road. Attached hereto under seal as Exhibit 1 is a true and accurate copy of the July  
28 9, 2015 MtGox Stolen Funds Analysis Report, which I authored.

1           7.       The conclusions of the report were shared with Kobayashi and his team. Specifically, on  
2 July 9, 2015, I sent Kuroda Yutaka, Deputy Trustee of MtGox, an email notifying him and his team that  
3 I had completed the analysis of the MtGox missing Bitcoin funds and was able to account for more than  
4 98% of funds missing. Attached hereto under seal as Exhibit 2 is a true and accurate copy of the July 9,  
5 2015 email I sent to Kuroda Yutaka with my findings. I simultaneously transmitted the report, which  
6 detailed the result of the investigation and highlighted where the funds went.

7           8.       Following my correspondence with Kuroda Yutaka on July 9, 2015, I exchanged a series  
8 of emails with him and his team between July 10, 2015 and September 2, 2015, in which Yukata asked  
9 me to confirm several issues relating to malleability. This indicated to me that the MtGox Trustee and  
10 his team had read the report and understood it.

11           I declare under penalty of perjury that the foregoing is true and correct to the best of my  
12 knowledge and belief. Executed this 6 day of May, 2021 in Miami, Florida

13  
14   
15 MICHAEL GRONAGER  
16 CEO and Co-Founder  
Chainalysis, Inc.